

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6706

BILL NUMBER: HB 1300

NOTE PREPARED: Jan 24, 2008

BILL AMENDED:

SUBJECT: Labeling Standards for Milk.

FIRST AUTHOR: Rep. Friend

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that dairy products are misbranded if the labeling contains compositional claims that cannot be confirmed through laboratory analysis or can only be supported by sworn statements, affidavits, or testimonials.

Effective Date: July 1, 2008.

Explanation of State Expenditures:

Explanation of State Revenues: This bill would add certain labeling claims to the definition of misbranded dairy products. Misbranding violations are considered Class B misdemeanors.

If additional court cases occur and fines are collected, revenue to both the Common School Fund (from fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class B misdemeanor is \$1,000. However, any additional revenue would likely be small.

Explanation of Local Expenditures: *Penalty Provision:* A Class B misdemeanor is punishable by up to 180 days in jail.

Explanation of Local Revenues: *Penalty Provision:* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from court fees. However, any change in revenue would likely be small.

State Agencies Affected: Indiana State Board of Animal Health.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources:

Fiscal Analyst: Kathy Norris, 317-234-1360.